

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

MACK-UNIVERSITY LLC, et al.

Plaintiffs,

vs.

JAMES HALSTEAD, et al.,

Defendants.

Case No.: SACV07-393 DOC (ANx)

(Consolidated with SACV07-591;
SACV07-641; SACV07-874)

Assigned to Hon. David O. Carter
Department 9D

**JUDGMENT AGAINST
DEFENDANTS
JEANNE M. ROWZEE AND
BAILEY INVESTMENTS LLC
[FRCP 58]**

**(INCLUDING AWARD OF
PUNITIVE DAMAGES) [FRCP 58]**

On May 20, 2008, before the Court and on the record, Defendant Jeanne M. Rowzee knowingly and voluntarily consented to judgment being entered in favor of all consolidated plaintiffs and against her in the total following sums: \$22,292,362 in compensatory damages, and \$44,584,724 in punitive damages. Pursuant to Federal Rule of Civil Procedure 58, and upon finding no just reason for delay, judgment shall be entered accordingly as detailed below, along with prejudgment interest of 7% on the amount of compensatory damages from January 1, 2007 to May 20, 2008, and post-judgment interest, cost and fees as allowed by law and as detailed below.

///

PIERCE et al. v. ROWZEE et al. (SACV07-591 DOC (ANx)):

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Judgment be and is hereby entered in favor of the plaintiffs in the *Pierce et al. v. Rowzee et al.* action, Case Number SACV07-591 ("Pierce Action"), as outlined below and against Defendants JEANNE M. ROWZEE and BAILEY INVESTMENTS, LLC, jointly and severally, in the following amounts, with prejudgment interest being calculated at the rate of 7% per annum from January 1, 2007 to May 20, 2008:

	<u>Principal</u>	<u>Prejudgment Interest</u>	<u>Punitive Damages</u>	<u>Total</u>
John Pierce	\$ 375,000.00	\$ 36,390.41	\$ 750,000.00	\$1,161,390.41
Trent Walker	\$ 126,000.00	\$ 12,227.18	\$ 252,000.00	\$ 390,227.18
Michael Hefner	\$ 30,000.00	\$ 2,911.23	\$ 60,000.00	\$ 92,911.23
Greg Velastegui	\$ 150,000.00	\$ 14,556.16	\$ 300,000.00	\$ 464,556.16
Thomas Hazen	\$ 1,203,394.00	\$116,778.67	\$2,406,788.00	\$3,726,960.67
Lawson Family Trust	\$ 356,500.00	\$ 34,595.15	\$ 713,000.00	\$1,104,095.15
The Lawson Marketing Group, Inc.	\$ 200,000.00	\$ 19,408.22	\$ 400,000.00	\$ 619,408.22
Larry Rabineau	\$ 240,650.00	\$ 23,352.94	\$ 481,300.00	\$ 745,302.94
Marc Halliburton	\$ 1,500,550.00	\$ 145,615.02	\$3,001,100.00	\$4,647,265.02
Builders Financial Expeditors, LLC	\$ 20,000.00	\$ 1,940.82	\$ 40,000.00	\$ 61,940.82
Marilyn Platfoot	\$ 200,000.00	\$ 19,408.22	\$ 400,000.00	\$ 619,408.22
Robert Culver and Claudine Halliburton	\$ 160,000.00	\$ 15,526.58	\$ 320,000.00	\$ 495,526.58
Robert Halliburton	\$ 158,000.00	\$ 15,332.49	\$ 316,000.00	\$ 489,332.49
Yves Halliburton	\$ 14,000.00	\$ 1,358.58	\$ 28,000.00	\$ 43,358.58
Bernie Germani Sr.	\$ 16,200.00	\$ 1,572.07	\$ 32,400.00	\$ 50,172.07
Bernie Germani Jr.	\$ 261,000.00	\$ 25,327.73	\$ 522,000.00	\$ 808,327.73

1	Ed Sherman	\$ 20,000.00	\$ 1,940.82	\$ 40,000.00	\$ 61,940.82
2	Jane McElroy	\$ 10,000.00	\$ 970.41	\$ 20,000.00	\$ 30,970.41
3	Steve Lowe and Lisa Lowe	\$ 130,368.00	\$ 12,651.05	\$ 260,736.00	\$ 403,755.05
4	Michael Manser and Amy Manser	\$ 493,000.00	\$ 47,841.26	\$ 986,000.00	\$1,526,841.26
5	John M. Powers dba American Home Loans	\$ 868,324.30	\$ 84,263.14	\$1,736,648.60	\$2,689,236.04
6	Powers Trust Invest- ments DBPP	\$ 25,000.00	\$ 2,426.03	\$ 50,000.00	\$ 77,426.03
7	Melissa J. Powers	\$ 150,000.00	\$ 14,556.16	\$ 300,000.00	\$ 464,556.16
8	John M. Powers Jr.	\$ 855,000.00	\$ 82,970.14	\$1,710,000.00	\$2,647,970.14
9	Tooker Family Trust	\$ 412,500.00	\$ 40,029.45	\$ 825,000.00	\$1,277,529.45
10	Jason Wojtyna and Barbara Wojtyna	\$ 556,475.00	\$ 54,000.94	\$1,112,950.00	\$1,723,425.94
11	Kilpatrick Invest- ments LP	\$ 61,500.00	\$ 5,968.03	\$ 123,000.00	\$ 190,468.03
12	Proclaim LLC	\$ 333,700.00	\$ 32,382.61	\$ 667,400.00	\$1,033,482.61
13	KEBO Investments LLC	\$ 5,700.00	\$ 553.13	\$ 11,400.00	\$ 17,653.13
14	Brandon Keenen	\$ 24,750.00	\$ 2,401.77	\$ 49,500.00	\$ 76,651.77
15	James L. Frey	\$ 36,750.00	\$ 3,566.26	\$ 73,500.00	\$ 113,816.26
16	James L. Frey Trust	\$ 26,000.00	\$ 2,523.07	\$ 52,000.00	\$ 80,523.07
17	David N. Frey Trust	\$ 38,250.00	\$ 3,711.82	\$ 76,500.00	\$ 118,461.82
18	James Michael Frey	\$ 24,750.00	\$ 2,401.77	\$ 49,500.00	\$ 76,651.77
19	Amy Frey	\$ 38,250.00	\$ 3,711.82	\$ 76,500.00	\$ 118,461.82
20	James L. Frey MD Research Ltd.	\$ 86,250.00	\$ 8,369.79	\$ 172,500.00	\$ 267,119.79

Randal Whittle	\$ 301,000.00	\$ 29,209.37	\$ 602,000.00	\$ 932,209.37
Dennis W. Wilson	\$ 504,640.00	\$ 48,970.82	\$1,009,280.00	\$1,562,890.82
Thuan Phan	\$ 1,850,000.00	\$ 179,526.03	\$3,700,000.00	\$5,729,526.03
Anthony Edwards	\$ 849,000.00	\$ 82,387.89	\$1,698,000.00	\$2,629,387.89
Reed Hummel	\$ 350,000.00	\$ 33,964.38	\$ 700,000.00	\$1,083,964.38
Steven Cox	\$ 1,479,000.00	\$ 143,523.78	\$2,958,000.00	\$4,580,523.78
TOTALS	\$14,541,501.30	\$1,411,123.22	\$29,083,002.60	\$45,035,627.12

The above plaintiffs in the Pierce Action shall also be awarded their costs of suit in an amount to be determined by the Clerk, and attorney's fees in the actual amount of \$152,662.97, which is less than what is allowed under Local Rule 55-3. Post-judgment interest at the rate of 2.34% per annum shall accrue on all of these amounts from the date of entry of this Judgment until paid in full.

MACK-UNIVERSITY LLC, et al. v. HALSTEAD, et al. (SACV07-393 DOC (ANx)):

IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED that Judgment be and is hereby entered in favor of the plaintiffs in the *Mack University LLC et al. v. Halstead, et al.* action, Case Number SACV07-393 ("Mack-University Action"), as outlined below and against Defendant JEANNE M. ROWZEE in the following amounts, with prejudgment interest being calculated at the rate of 7% per annum from January 1, 2007 to May 20, 2008:

	<u>Principal</u>	<u>Prejudgment Interest</u>	<u>Punitive Damages</u>	<u>Total</u>
Mack University, LLC	\$ 2,600,000.00	\$252,306.85	\$5,200,000.00	\$8,052,306.85
PMP Ventures-Pipes, LLC	\$ 1,000,000.00	\$ 97,041.10	\$ 2,000,000.00	\$3,097,041.10
TOTAL	\$3,600,000.00	\$349,347.95	\$7,200,000.00	\$11,149,347.65

The above plaintiffs in the Mack-University Action shall also be awarded their

costs of suit in an amount to be determined by the Clerk, as well as attorney's fees in the amount of \$82,586.96 pursuant to Local Rule 55-3. Post-judgment interest at the rate of 2.34% per annum shall accrue on all of these amounts from the date of entry of this Judgment until paid in full.

BURNETT, et al. v. ROWZEE, et al. (SACV07-641 DOC (ANx)):

IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED that Judgment be and is hereby entered in favor of the plaintiffs in the *Burnett et al. v. Rowzee, et al.* action, Case Number SACV07-641 ("Burnett Action"), as outlined below and against Defendant JEANNE M. ROWZEE in the following amounts, with prejudgment interest being calculated at the rate of 7% per annum from January 1, 2007 to May 20, 2008:

	<u>Principal</u>	<u>Prejudgment Interest</u>	<u>Punitive Damages</u>	<u>Total</u>
Kai W. Adler	\$ 20,680.00	\$ 2,006.81	\$ 41,360.00	\$ 64,046.81
Robert W. Ballano	\$ 11,210.00	\$ 1,087.83	\$ 22,420.00	\$ 34,717.83
Michael Brackett	\$ 19,725.00	\$ 1,914.14	\$ 39,450.00	\$ 61,089.14
Eric Bradley and Jennifer Bradley	\$ 132,366.67	\$ 12,845.01	\$ 264,733.34	\$ 409,945.02
Ernie Burnett	\$ 561,445.85	\$ 54,483.32	\$ 1,122,891.70	\$1,738,820.87
Enrique Campos and Tammy Campos	\$ 106,981.26	\$ 10,381.58	\$ 213,962.52	\$ 331,325.36
Mark Childers and Cherie Childers	\$ 215,350.00	\$ 20,897.80	\$ 430,700.00	\$ 666,947.80
Mike Curtis and Gwen Curtis	\$ 137,754.92	\$ 13,367.89	\$ 275,509.84	\$ 426,632.65
Fifteen Morgan, LLC	\$ 45,333.33	\$ 4,399.20	\$ 90,666.66	\$ 140,399.19
First Trust Co. of Onaga	\$ 376,207.39	\$ 36,507.58	\$ 752,414.78	\$1,165,129.75

1	Anne Frank	\$ 89,466.67	\$ 8,681.94	\$ 178,933.34	\$ 277,081.95
2	Alan Girdlestone and Dolores				
3	Girdlestone	\$ 112,616.67	\$ 10,928.45	\$ 225,233.34	\$ 348,778.46
4	Jason Glass	\$ 35,412.50	\$ 3,436.47	\$ 70,825.00	\$ 109,673.97
5	Vadim Dan Gluzman				
6	and Musia Gluzman	\$ 217,332.51	\$ 21,090.18	\$ 434,665.02	\$ 673,087.71
7	Fran Hargadon	\$ 46,066.67	\$ 4,470.36	\$ 92,133.34	\$ 142,670.37
8	Daniel Kechejian and				
9	Aline Kechejian	\$ 40,718.75	\$ 3,951.39	\$ 81,437.50	\$ 126,107.64
10	George C. Kenney	\$ 36,925.00	\$ 3,583.24	\$ 73,850.00	\$ 114,358.24
11	James Kim	\$ 13,800.00	\$ 1,339.17	\$ 27,600.00	\$ 42,739.17
12	Fred Koeppe	\$ 45,333.33	\$ 4,399.20	\$ 90,666.66	\$ 140,399.19
13	Jeff Marsden and				
14	Christine Marsden	\$ 21,929.17	\$ 2,128.03	\$ 43,858.34	\$ 67,915.54
15	Robert B. MacDonald	\$ 20,166.67	\$ 1,957.00	\$ 40,333.34	\$ 62,457.01
16	Nigel Charles Page	\$ 69,900.00	\$ 6,783.17	\$ 139,800.00	\$ 216,483.17
17	Stephen Perebzhak	\$ 450,992.08	\$ 43,764.77	\$ 901,984.16	\$1,396,741.01
18	Eric Rasor and				
19	Laura Rasor	\$ 234,600.00	\$ 22,765.84	\$ 469,200.00	\$ 726,565.84
20	Mark R. Sawusch	\$ 342,166.67	\$ 33,204.23	\$ 684,333.34	\$1,059,704.24
21	Ralph W. Sheets	\$ 12,751.67	\$ 1,237.44	\$ 25,503.34	\$ 39,492.45
22	Spectrum Lending				
23	Group	\$ 39,700.00	\$ 3,852.53	\$ 79,400.00	\$ 122,952.53
24	Fakhri Taheri	\$ 23,408.33	\$ 2,271.57	\$ 46,816.66	\$ 72,496.56
25	John Taylor	\$ 199,920.83	\$ 19,400.54	\$ 399,841.66	\$ 619,163.03
26	Therapy Care, Inc.	\$ 61,163.34	\$ 5,935.36	\$ 122,326.68	\$ 189,425.38
27	Twelve Morgan LLC	\$ 130,200.00	\$ 12,634.75	\$ 260,400.00	\$ 403,234.75
28	Shirley Wagner	\$ 129,235.42	\$ 12,541.15	\$ 258,470.84	\$ 400,247.41

TOTALS \$ 4,000,860.70 \$ 388,247.91 \$ 8,001,721.40 \$12,390,830.01

The above plaintiffs in the Burnett Action shall also be awarded their costs of suit

in an amount to be determined by the Clerk, as well as attorney's fees in the amount of \$91,382.17 pursuant to Local Rule 55-3. Post-judgment interest at the rate of 2.34% per annum shall accrue on all of these amounts from the date of entry of this Judgment until paid in full.

DUSKY, et al. v. BELLASAIRE INVESTMENTS, et al. (SACV07-874 DOC (ANx)):

IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED that Judgment be and is hereby entered in favor of the plaintiffs in the *Dusky, et al. v. Bellasaire Investments, et al.* action, Case Number SACV07-874 ("Dusky Action"), as outlined below and against Defendant JEANNE M. ROWZEE in the following amounts, with prejudgment interest being calculated at the rate of 7% per annum from January 1, 2007 to May 20, 2008:

	<u>Principal</u>	<u>Prejudgment Interest</u>	<u>Punitive Damages</u>	<u>Total</u>
Maricela Dusky	\$ 50,000.00	\$ 4,852.05	\$ 100,000.00	\$ 154,852.05
Salvador Sahagun	\$ 50,000.00	\$ 4,852.05	\$ 100,000.00	\$ 154,852.05
Melissa Hansen	\$ 50,000.00	\$ 4,852.05	\$ 100,000.00	\$ 154,852.05
TOTALS	\$150,000.00	\$ 14,556.15	\$ 300,000.00	\$ 464,556.15

The above plaintiffs in the Dusky Action shall also be awarded attorney's fees in the amount of \$6,891.12 pursuant to Local Rule 55-3. Costs to be determined by the Clerk. Post-judgment interest at the rate of 2.34% per annum shall accrue on all of these amounts from the date of entry of this Judgment until paid in full.

IT IS SO ORDERED.

DATED: July 3, 2008


 U.S. DISTRICT COURT JUDGE

PROOF OF SERVICE

I am employed in the County of Orange, State of California. I am over the age of eighteen (18) years and am not a party to the within action. My business address is that of 4675 MacArthur Court, Suite 590, Newport Beach, California 92660.

I hereby certify that, on July 3, 2008, I caused the foregoing document entitled: **[PROPOSED] DEFAULT JUDGMENT DEFENDANTS JEANNE M. ROWZEE AND BAILEY INVESTMENTS LLC** to be filed electronically with the Clerk of the Court through ECF and that a true and correct copy of the above document will be served upon the following counsel of record in this action by the ECF system in accordance with the Federal Rules of Civil Procedure and the Local Rules of the Court:

SEE ATTACHMENT

Executed on July 3, 2008, at Newport Beach, California.

I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

/s/ Patricia L. Starr
Patricia L. Starr

ATTACHMENT

John H Carney, Esq.
jcarney@johnhcarney.com
John H Carney & Assoc.
One Meadows Building
5005 Greenville Ave Ste 200
Dallas, TX 75206
214-368-8300

Scott M Schlegel, Esq.
scottschlegel@sbcglobal.net
Law Offices of Scott M.
Schlegel
3745 Fourth Avenue, 2nd Fl.
San Diego, CA 92103
619-298-6026
619-298-6025 (fax)

representing

**Defendant Brooke
Robbins Harvey**

Marvin E Garrett, Esq.
mgarrett@allenmatkins.com
Jeren Wei, Esq.
jwei@allenmatkins.com
Allen Matkins Leck Gamble &
Mallory
515 S Figueroa St, 7th Fl
Los Angeles, CA 90071-3398
213-622-5555
213-620-8816 (fax)

representing

**Plaintiffs Mack-
University LLC, and
PMP Ventures-Pipes,
and Cross-Defendant
Richard E Macklin**

Jeanne M Rowzee, Esq.
rowzeelw@ix.netcom.com
92 Corporate Park
Suite C-203
Irvine, CA 92606
949-660-9212
949-660-1288 (fax)

PRO SE

Louis A Gonzalez, Jr, Esq.
lgonzalez@weintraub.com
Darrin M Menezes, Esq.
dmenezes@weintraub.com
Weintraub Genshlea Chediak
400 Capitol Mall, 11th Floor
Sacramento, CA 95814
916-558-6000

representing

**Defendant Equipoint
Financial Network Inc.**

1
2 **Steven L Krongold, Esq.**
3 steve@krongoldlaw.com
4 Krongold Law Firm PC
5 8105 Irvine Center Drive
6 Suite 900
7 Irvine, CA 92618
8 949-651-1900

9
10
11 representing

Plaintiffs Alan E
Girdlestone and Dolores
Girdlestone, Custodian
F/B/O George C
Kennedy, Fifteen Morgan
LLC, First Trust Co. of
Onaga, Mike and Gwen
Curtis Revocable Trust
U/D/T 1-14-1999,
Spectrum Lending
Group, Therapy Care Inc,
Twelve Morgan LLC,
Aline Kechejian, Anne
Frank, Cherie Childers,
Christine Marsden, Dan
Gluzman, Daniel
Kechejian, Enrique
Campos, Eric Bradley,
Eric Rasor, Ernie
Burnett, Fakhri Taheri,
Fran Hargadon, Fred
Koepp, George C
Kenney, James Kim,
Jason Glass, Jeff
Marsden, Jennifer
Bradley, John Taylor, Kai
W Adler, Laura Rasor,
Luke Arnett, Mark
Childers, Mark R
Sawusch, Michael
Brackett, Musia
Gluzman, Nigel Charles
Page, Ralph W Sheets,
Robert B McDonald,
Shirley Wagner, Stephen
Perebza, and Tammy
Campos

21
22
23 **Thomas A Schultz, Esq.**
24 tschultz@lopez-hodes.com
25 **Kyle E Lakin, Esq.**
26 klakin@lopez-hodes.com
27 Lopez Hodes Restaino Milman
28 and Skikos
9210 Irvine Center Drive
Irvine, CA 92618
949-640-8222

representing

Plaintiff Marticela
Dusky, Melissa Hansen,
and Salvador Sahagun

1 **David L. Casterline, Esq.**
2 dlcesq@verizon.net
3 Law Offices of David L.
4 Casterline
5 307 Hopkins Ave.
6 Hermosa Beach, CA 90254
7 (310)376-0818

representing

**Defendants James
Halstead, Game Plan,
Inc., Gameplanh LLC,
Susan Halstead, and
Jaime Barker**